

The Preservation of Privately-Owned Airports

**Report
Prepared for
State of New Hampshire
Governor and Executive Council**

The Long Range Capital Planning and Utilization Committee

Prepared by

Department of Transportation, Division of Aeronautics
in conjunction with the
Aviation Users Advisory Board
and the assistance of
Local Municipalities

Executive Summary

The New Hampshire Department of Transportation, Division of Aeronautics is tasked by state statute to provide the citizens of New Hampshire with an air transportation system that is safe, efficient and socially responsible. The Division interacts with the state's airports in a number of ways including airport funding, registration, regulatory-enforcement of laws, operation of navigational aids, as a technical resource, as well as the promotion of airports. Collectively tying all of these services together, the Division's main mission is to "Preserve" the airports already existing within the State Airport System.

By 2006 it is entirely possible that New Hampshire will lose one-half of its privately owned, open to the public airports. Privately owned-open to the public airports are a critical part of any states airport system, especially states like New Hampshire where tremendous efforts are made to avoid over-burdening public treasuries. These airports are among the most efficient public use facilities. For the most part, they do not depend on the public funding for their support; yet they provide a necessary public benefit: capacity for, and entry into the National Air Transportation System. Loss of these airports means several thousand aircraft operations will stress capacity at remaining airports. Ironically, the net effect of this outcome is that further *public* investment is mandated to meet increased demand on publicly funded facilities. The requirements of RSA 422:19 tasked the Division of Aeronautics and Aviation Users Advisory Board (AUAB) with the evaluation of privately owned, open to the public airports in New Hampshire.

Privately owned, open to the public airports are experiencing increased pressures from local development, environmental legislation, limited funding, and increases in land value assessment. Coupled with these are the high operational, maintenance, and insurance costs associated with operating airports. In preparation of this report to the state legislature, five out of ten airport owners advised that they are likely to cease operations in 2005/2006 under these current conditions. One additional airport that has not expressed an interest in closing is in need of maintenance on its runway system. The expense of this project is outside of the ability of the owner to afford. Likewise the Division of Aeronautics is unable to fund such an expensive project without subsequently failing to fund the other development needs on the remaining airports.

The preservation of airports is critical not only to the regional and National Airway System but to the communities in, and near which the airport is located. As is the case with any transportation center, its practical benefits typically span beyond manufactured political boundaries. Chief among these benefits is access in time of emergency or public distress. Well maintained airports are capable of providing rapid access to government emergency relief, medical, and law enforcement personnel on a large scale. Secondary benefits include access for local business services, high value

tourism, and local recreation. A tertiary benefit is creation and maintenance of open space, and preservation of natural environments.

Priority of Airports

In order to deliver a practical and useful document to the Governor and Executive Council, and Long Range Capital Planning and Utilization Committee a determination has been made by the Division of Aeronautics and the AUAB on the priority of these airports. Elements such as the proximity of other airports, levels of activity/based aircraft, economic benefits, services and/or FBOs, and the needed financial investment to bring the airports up to current standards have been factored into this consideration. These priorities are only valid based on the existing system of airports, should any evaluative element change, it would be the task of the Division of Aeronautics and AUAB to vet the system and determine a new priority.

The Long Range Capital Planning and Utilization Committee should protect the existing system, by preserving the following airports based on three priority tiers:

First Tier Airports	Second Tier Airports	Third Tier Airports
Hampton Airfield, North Hampton; NH	Lakes-Region Airport; Wolfeboro, NH¹	Gifford Field; Colebrook, NH
Jaffrey-Airport Silver Ranch; Jaffrey, NH ²	Newfound Valley Airport; Bristol, NH	Errol Airport; Errol, NH
	Hawthorne-Feather Airport; Deering, NH	Twin Mountain Airport; Carroll, NH
	Moultonborough Airport; Moultonborough, NH	Franconia Airport; Franconia, NH

Note: Airports in Bold are airports that have expressed they may sell in the next two years

¹ Lake Region Airport has not registered in 2004, and may close in 2005, however it was included in this study because airports from time to time may fail to register for one year, and renew their registration in the following year.

² Jaffrey Airport – Silver Ranch has significant maintenance issues that must be addressed ASAP, or the state will no longer be able to support its status as an open to the public airport.

Recommendations for Preservation of Private Airports

Legal/Risk Management Forum: The Division of Aeronautics and the AUAB should arrange a legal/risk forum to provide counseling to open to the public privately owned airports to discuss legal options that will protect long-term existence of airports. This forum could also discuss insurance issues so that airports are properly insured for disaster, liability, and other risk related issues.

Airport Operating Leases: The state of New Hampshire should pursue and encourage airport owners to consider long-term management agreements for their facility if they no longer are able, or desire to operate the facility.

Increase Grant Funding: The State of New Hampshire should increase funding for various airport grant programs. Specifically, the Tax Re-imbursement program should be increased from \$10,000 to \$15,000 per annum. The 50-50 funding program should be refined and funding increased to the 1986 level of \$100,000 per year.

New State managed process for permitting of airport development: Airport development should be removed from local permitting processes and put under the jurisdiction of a state permitting process. This process could be administratively handled through the Division of Aeronautics, and the Office of Energy and Planning.

Current use provisions: Criteria should be formulated to permit certain unpaved airports the latitude to take advantage of current use provisions. This has been attempted legislatively in the past but failed. The tax reimbursement program was instituted in part as an alternative to this provision.

Conclusion

The enactment of RSA 422:19, will do well to streamline the acquisition of private airports critical to the New Hampshire State Airport System. Meanwhile carefully vetting the need to acquire airports if they become available. This study produced in more detail in the following chapter, will give clear direction on the issues facing public use, privately owned airports, and determine the best manner in which the state can assist in the long term preservation of these extremely efficient facilities. Barring renewed interest from the state, in the form of these or similar recommendations, private open to the public airports in New Hampshire will likely cease to exist. This will put a tremendous burden on the state to replace, or provide its citizens adequate access to the National Air Transportation System.

The Preservation of Private, Open to the Public Airports In New Hampshire

Introduction

The State of New Hampshire currently has 25 airports and 2 heliports open to the public. Private individuals own ten of these airports. On April 23, 2004 the State of New Hampshire repealed and reenacted RSA 422:19, *The Purchase or Transfer of Airports*. One of the major changes of the statute focuses on the ten open to the public airports that are currently owned by private individuals, since these are most likely to be sold for 'other than airport' development purposes. This report will document the issues facing private, open to the public airports, hereafter referred to as private airports; the interest of municipalities in airport ownership, and methods to best preserve the private airport system in New Hampshire. The report will conclude with a priority ranking for the current airport system and recommendations to preserve the private airport system. Supporting documentation, including intermodal recommendations, are detailed in the 2003 New Hampshire Airport System Plan (Enclosed CD). The priority ranking information will be beneficial to the Governor and Executive Council and the Long Range Capital Planning and Utilization Committee in determining airports for which it is in the interest of the state to save in the event they become available for purchase to the public for other than airport use. The recommendations will provide a plan to strengthen the existing private airports, enabling them to provide a more viable long-term service to the state.

Methodology:

Chapter Law requires that the Director of the Division of Aeronautics and the Aviation Users Advisory Board (AUAB) prepare this report on the preservation of privately owned airports, in coordination with municipalities. In preparation of the writing of this report, the Division of Aeronautics mailed letters, to the selectman of affected towns, with the new RSA text attached for their review. Telephone interviews were conducted with town officials to determine the overall status and impact of the airport to the community.

Staff contacted each of the ten airport owners. They are Ian Stevenson of Gifford Field, Colebrook; Mike Hart of Hampton Airfield, North Hampton; Dave Heasley of Errol Airport, Errol; James Rymes of Hawthorne-Feather Airport, Deering; Evan Karpf of Twin Mountain Airport, Carroll; Tom Condon of Moultonborough Airport, Moultonborough; Boake Morrison of Newfound Valley Airport, Bristol; Richard Morris of Franconia Airport, Franconia; Harvey Sawyer of Jaffrey Airport-Silver Ranch, Jaffrey; and Mr. Don Satterfield of Lakes Region Airport, Wolfeboro; who has held previous discussions with the Division of Aeronautics. Each airport owner addressed questions concerning the source of development pressures facing the airport, mechanisms put in

place to protect the existence of the airport, financial challenges, and potential growth. These questions were asked in order to stimulate discussion. Any other information or suggestions were utilized in an attempt to garner the “big picture” for each individual facility.

Questions were asked of town officials to obtain a better understanding of the impact the airports have on their respective communities. A key factor was the town’s willingness, or lack of willingness, to take ownership of the airport if the threat of closure became a real possibility. The Division also felt that consideration of airport zoning was a good indication of a town’s interest in its airport. Effective zoning assists in protecting the airport from development that might be incompatible with its operations.

The information provided from the officials and airport owners was then combined with additional information provided by the State Airport System Plan and Economic Analysis to provide a priority rating for these 10 airports. This priority rating is based on (1) the population of the region served by the airport, (2) The airport’s proximity to other public airports, (3) the number of based aircraft, (4) availability of area attractions (tourist draws), (5) services available on the facility, (6) development potential, (7) annual availability of the runway system. In the following section “Airports in Detail” each of these elements will be discussed on an airport-by-airport basis.

The above elements were chosen for our evaluation; they have been proven as an effective tool by the Federal Aviation Administration, which uses similar criteria when conducting airport master plans for federally funded airports. It is important to note, that even though the criteria is similar, it has been geared down to be applicable to smaller privately owned airports. Although there are a myriad of additional factors that could be considered, this approach identifies priorities for the existing ten airports, which enables logical comparison for state preservation. Understanding that this prioritization is dynamic and that significant changes to any one airport would most likely result in a realignment of priorities.

Airports In Detail

The study looked at each airport individually with the intent of identifying the airports niche within the state system of airports: identifying whether the airport should be considered a first tier airport, essential to the airport system; second tier, providing valuable services to the system but not indispensable; or third tier, of limited value to the state system of airports. Discussions with airport owners and town officials identified common challenges that owners face in operating their airport, and issues that towns must consider if offered to take possession of available airports.

Errol Airport-Errol, NH

The airport is located in the sparsely populated Great North Woods section of the state, approximately one-half hour north of Berlin, NH.

- Errol airport has a 3680 ft. gravel/turf runway.
- Errol lacks a strong population base.
- Errol is in relatively close proximity to another public airport, Berlin, sharing the same public catchment area thereby making the airport's criticality to aviation access low.
- Errol has one based aircraft.
- The airport has developable land surrounding it, making runway expansion, hangar development, and paved parking areas feasible.
- The airport has no fuel, and no FBO services.
- The airport is not plowed in the winter, although it does remain open for aircraft equipped with skis.
- Camping, hunting, and fishing are likely, albeit limited; tourist draws for users of Errol.
- These combined factors would place Errol into the third tier grouping of public airports.

Errol airport's owner is bound under a sales agreement to keep the airport open for 40 years. Approximately 25 years remain on this agreement. Persons desiring to use the property for hotel development have approached the owner, but he has no interest in selling the airport. He has stated that only some kind of catastrophic financial event would force him to sell. Even in such case it would be his desire to sell it to someone who wishes to continue using it as an airport.

Franconia Airport-Franconia, NH

- Franconia Airport has 2305 ft. unpaved grass strip located in Franconia, NH.
- Franconia's catchment area includes the communities of Sugar Hill, Lisbon, and Bethlehem. This represents a weak to moderate population base.
- The airport provides limited access to the White Mountains, Great North Woods, and Connecticut River Valley regions of New Hampshire. However its proximity to Mount Washington Regional Airport, and Twin Mountain airport both of which provide a greater level of services, makes it less critical as a means of access to the National Air Transportation System.
- Franconia has 8 based aircraft

- The airport is limited in ability to expand; some hangars and installation of a fueling system is possible, but may not be practical for the level and type of activity.
- The airport has no fuel, hangars, or services.
- The airport is closed in the winter.
- The airport of itself is a limited tourist draw. Tourists use the facility for glider/soaring rides during their visit.
- These factors will place Franconia in the third tier of airports.

The owner of the property is also the owner of the Franconia Inn, located across the street from the airport; this makes the airport unique in that it serves a supplemental role to the owners core business. The facility is used primarily for glider operations, although it is capable of handling up to light twin-engine piston aircraft as well.

Areas around the Franconia Airport have been developed into residential housing. Similar development would likely result if the property is sold for other than aeronautical purposes. However, the current owner has no interest in doing so. Increasing real estate taxes, maintenance and operational expenses are pressing the decision to close the airport after the 2005 year if expenses do not come under control. The owner believes by turning the property into a pasture, he can take advantage of current use regulations in the state tax codes.

Gifford Field-Colebrook, NH

Gifford Field is located in the town of Colebrook. It is the most northerly airport in the state of New Hampshire and is less than 10 miles from the Canadian border.

- Gifford is a 2440 ft. unpaved grass strip.
- The airport's catchment area is the town of Colebrook and all points within the state located north. This represents a small population base, however it is spread over a large area.
- The airport provides limited access to the White Mountains, Great North Woods, and Connecticut River Valley regions of New Hampshire. Interestingly, because of its seclusion, as the only airport in the far northern reaches of New Hampshire its criticality for access to the national air transportation system is relatively high. However the facility is limited in its actual ability to provide such access to a wide variety of aircraft.

- Gifford Field has 4 based aircraft
- The airport has some land for expansion of the runway system. Some open hangars are available, and installation of a fueling system is possible, but may not be practical for the level and type of activity.
- The airport has no fuel, or services. The airport does have some hangars, however these are old and of limited value.
- The airport is closed in the winter.
- The surrounding area is agrarian in nature, and has limited tourist draw.
- These factors will place Gifford Field in the third tier of airports.

Its location adjacent to a commercial district within Colebrook makes it desirable for future industrial or commercial development. The airport owner feels that he is being severely over-taxed on the property. He claims to have experienced a 300% increase in taxes on the property in the last 3 years. Since the land is being used as an airport, he is unable to take advantage of current use tax incentives provided for in the state RSA's. He will likely close in the airport in the next year if the trend continues. Although the airport has a personal and sentimental value, this owner believes it is becoming too financially burdensome.

Gifford Field does possess adequate land for further airport development. Adequate space is available to expand the runway southward. The owner believes that additional hangar space would benefit the facility. However, under current conditions he does not have any desire to invest additional money into the airport being uncertain of its future.

Hampton Airfield-North Hampton, NH

Hampton Airfield is a full service, unpaved airport located in North Hampton, NH.

It is one of the most active general aviation airports in the state.

- Hampton Airfield is a 2100 ft unpaved grass strip.
- Located in Rockingham County along the seacoast and the I-95 trunk route, Hampton Airfield has a very large population base.

- The airport's catchment area is the seacoast region and portions of the Rockingham region. Some activity likely spills over from the most southern portions of Maine. The airport is located in close proximity to Pease International Tradeport. Pease Tradeport is being developed into a primary air carrier airport, therefore Hampton's close proximity to Pease is actually preferable, as it will serve as a reliever source as Pease expands.
- The airport provides access to the Seacoast region, Southern Maine, and eastern parts of Rockingham County.
- Hampton airfield has 86-based aircraft.
- The airport has limited land available for expansion of the runway system. Some land is still available and planned to be developed for installation of hangar units.
- Hampton has full services including, fuel, maintenance, and hangar storage.
- The airport is open year round although limited activity takes place in the winter months.
- The surrounding area has a very strong tourist draw.
- These factors will place Hampton Airfield in the first tier of airports.

Hampton Airfield is one of the best examples of a well run, privately owned, general aviation airport. The airport offers full services including; maintenance, hangar, tie-down, fuel, flight instruction, and has an on field restaurant.

Hampton Airfield has done an excellent job of establishing covenants and mechanisms to protect the airport from future development. Being located in the desirable North Hampton area, there is strong potential for the property to spark the interest of developers.

The airport owner has expressed that his greatest concern is the continued increase in property taxes, both through rates or valuations, and out of control insurance costs. Also, closures as a result of Transportation Security Administration (TSA) temporary flight restrictions (TFRs) are causing financial hardship to businesses on the facility. Hampton underlies the 30 nautical mile-restricted airspace associated with the President's home in Maine.

Nonetheless, Hampton has been so professionally operated, and mechanisms put in place to protect its existence, that it is highly unlikely that the facility will close in the foreseeable future.

During discussions with the Town Manager, he expressed that the town of North Hampton would not be interested in purchasing the airport at this time. However he made clear that this was because they feel that it is so well operated now. He stated, “should this change and the airport became available they would discuss the possibility of take over of the property and operation.

Hawthorne-Feather Airport-Deering, NH

- Hawthorne-Feather Airport has a paved runway of 3260 ft. in length.
- The airport provides access to Cheshire County, Hillsborough County and portions of Massachusetts, thereby representing a medium population base.
- The airport’s catchment area is Hillsborough, Merrimack, and Cheshire Counties. Hawthorne-Feather also provides a limited level of relief to Manchester and Nashua airports, by providing an alternative paved runway for from training flights practicing takeoffs and landings.
- Hawthorne-Feather has 28-based aircraft.
- The airport has limited land available for expansion of the runway system. Some land is still available and planned to be developed for installation of hangar units.
- Hawthorne-Feather has some services including, fuel and hangar storage. No FBO is present on the field.
- The airport is open year round although limited activity takes place in the winter months.
- The surrounding area has a moderate tourist draw.
- These factors will place Hawthorne-Feather in the middle tier of airports.

Hawthorne-Feather Airport is located in the town of Deering, NH. The airport owner feels that the airport is unable to accommodate a growing population of pilots, and although adequate demand exists, local community and

permitting process is limiting development and restricting growth. Currently the airport owner is trying to develop condominium hangar units for the airport. He sees this as an important preservation issue for the airport as new hangars can provide a revenue enhancing opportunity.

Hawthorne Feather airport has no protective covenants in place to protect the property as an airport. The owner has stated that he will close the airport in 2005-2006 time frames if he is unable to get approvals from the town for his proposed hangar units.

In discussions with the town of Deering selectman, the town expressed that the airport is looked upon as an economic liability as it decreases the value of the surrounding tax base. The town believes that the airport could be better used as a park or for some other development. Because it sits on an aquifer, the town of Deering is very concerned about any development that may occur. Interestingly, Parlin Field, a municipally owned airport located in Newport, NH, also sits on an aquifer and has been quite successful in developing its facility. If the airport was available for sale the town said that it would be interested in taking the airport, but not for the purpose of continuing operation as an airport.

Jaffrey Airport/Silver Ranch-Jaffrey, New Hampshire

- Jaffrey-Airport/Silver Ranch has a paved 2982 ft. runway, much in need of repair.
- The airport provides access to Southwestern New Hampshire and Northcentral Massachusetts thereby supporting a medium-large population base.
- The airport's catchment area is Southwestern New Hampshire, provides a limited level of relief to Nashua and Manchester airports.
- Jaffrey Airport/Silver Ranch has 19-based aircraft.
- The airport has land available for expansion, however a significant portion of the surrounding land areas are wetland.
- Jaffrey has some services including, fuel and hangar storage. The FBO on the field is Silver Ranch, Inc, which is owned by the airport owner. This is the only private airport in the state that has a published instrument approach procedure for let down in poor visibility conditions.
- The airport is open year round.

- The surrounding area has a moderate tourist draw.
- These factors will place Jaffrey-Silver Ranch in the first tier of airports.

Based on geographical location, development potential, and relief provided to Nashua and Manchester airports; Jaffrey Airport/Silver Ranch is critical to the state airport system. The airport is located adjacent to the downtown area of Jaffrey, New Hampshire. The airport runway is in fair to poor condition and is in need of full rehabilitation. The owner states that portions of the property are desirable for residential, golf course, and commercial development. However, the airport is not for sale, nor does he intend to put it up for sale.

The high cost of maintaining the airport, as well as high property taxes on the facility, is limiting its growth potential. Although he has no interest in selling the airport, the owner feels that the revenues produced by the facility do not justify the high taxes being paid on the property. He has no covenants on the property, other than a 10-year covenant for a 50/50 grant he received from the state.

In discussing the airport with the town manager, the airport is considered an asset to the town and the town felt that were it available for sale the town would wish to take control of the property and continue its growth as an airport.

The owner would like to see further expansion of the airport apron and tie down areas, additional hangar space and improvement and expansion of the airport runway.

The airport runway is only marginally able to continue use as a runway. Jaffrey Airport-Silver Ranch greatest challenge is how to address the continued failure of the pavement with limited funds. If this is not addressed soon, the airport will be unusable and another airport will be lost from the state's system of airports.

¹Lakes Region Airport-Wolfeboro, NH

Lakes Region airport is located in the town of Wolfeboro, NH. The airport also has an airport authority established by Chapter 241 of the Revised Statute Annotated. Lakes Region was sold in 1995, with the stipulation that it remained an airport for 10 years. That 10-year period will expire in 2005. It is anticipated that the property will be used for residential development afterwards.

¹ Lake Region Airport has not registered in 2004, however it was included in this study because it has been registered in prior years, and could still register to be current for 2004.

Its location on the Wolfeboro peninsula, and proximity to the town make it a very desirable summer home location.

- Lakes Region Airport has a paved 2540 ft. runway.
- The airport's catchment area is the eastern shore of Lake Winnepesaukee thereby supporting a medium population base.
- The airport provides access to the Lakes Region and Seacoast region and portions of Western Maine.
- Lakes Region has 8-based aircraft.
- The airport has some land that still would be available for development and installation of hangar units.
- Lakes Region has no services.
- The airport is closed winter months.
- The surrounding area has a very strong tourist draw.
- These factors will place Lakes Region in the 2nd tier of airports.

Sitting on a peninsula adjacent to the popular tourist town of Wolfeboro, NH. The airport has tremendous potential to serve summer residents, and provide limited summer activity. Laconia airport is located a short distance across the lake from Wolfeboro, however the physical layout of the lakeshore makes it a 45 minute drive to Laconia Airport.

Moultonborough Airport-Moultonborough, NH

Moultonborough Airport is a paved airport located in Moultonborough, NH on the intersection of Route 25 and 109. The property has some protective covenants designed to keep the airport open. Owners of property on the Sky Ranch development must agree by a 2/3 majority to close the airport. In speaking with the airport owner, it is very possible that a developer might be able to get the necessary support from the owners to sell the airport for other than aeronautical use.

- Moultonborough Airport has a paved 3625 ft. runway.
- The airport provides access to the Lakes Region and Carroll County, thereby supporting a medium population base.

- The airport's catchment area is the Northern shore of the Lakes region and portions of the Carroll County. The airport is located about 25 minutes from Lakes Region Airport, however if Lakes Region closes in 2005, its criticality to the state system will increase significantly.
- Moultonborough has 22-based aircraft.
- The airport has no land available for expansion of the runway system. Some land is still available and for installation of hangar units.
- Moultonborough has some services including fuel and hangar storage. A maintenance hangar is available but not currently operating.
- The airport is open year round although limited activity takes place in the winter months.
- The surrounding area has a very strong tourist draw.
- These factors will place Moultonborough airport in the 2nd tier of airports.

The owner believes likely future development for the airport includes additional hangar space and a possible GPS instrument approach. It should be noted that the airport property is being offered for sale for continued use as an airport.

The owner has expressed that the cost of property taxes, and maintenance of the airport and debt service on acquisitions are its greatest dangers to continued existence. In preparing this report the town felt that the airport provided marginal services at best to the town. Given the opportunity to take ownership of the airport, by purchase or a free transfer, the town felt that they would turn down any such proposition, primarily because of costs of ownership, cost of maintenance, and limited financial support they would receive from the state or federal government.

Newfound Valley Airport- Bristol, NH

Newfound Valley Airport is located in Bristol, NH a short distance from Newfound Lake.

- Newfound Valley has a paved 1900 ft runway.

- The airport's catchment area is the Newfound Lake area including Grafton and Merrimack Counties. The airport is located in along the I-93 trunk route, providing good access from varying parts of the state.
- The airport provides access to the Grafton, Merrimack, and Belknap counties.
- Newfound Valley Airport has 6-based aircraft.
- The airport has limited land available for expansion of the runway system. Some land is still available and planned to be developed for installation of additional hangar units and paved aircraft tie-downs.
- Newfound Valley has no services. Although the owner is planning to install a self-serve 100LL fueling service in the future.
- The airport is open year round although limited activity takes place in the winter months.
- The surrounding area is has a very strong tourist draw.
- These factors will place Newfound Valley Airfield in the 2nd tier of airports.

The airport owner is extremely enthusiastic about continuing to use that land as an airport. However, the family has put no mechanisms in place to do so. He is very concerned about non-family members gaining control of the property and believes that should this occur, the property would be developed into commercial or residential property.

The owner is intent on the airport remaining similar size. Currently providing access to a four-unit t-hangar and limited tie-down space, it is unlikely that this airport will add significant capacity to the state's airport system either now or in the near future. Preliminary plans to develop additional hangars, and expand the aircraft apron are taking shape. The owner is concerned about the ability to operate the airport under increasing regulatory pressures. By keeping the airports size to a minimum, he believes that this can best stave off such pressure in the future.

In preparation of this report, the Division of Aeronautics was unsuccessful in getting a response from the town. However, on January 12, 2004, the Division did have an interview with William Phinney, town selectman. He felt that the airport was a good asset for the town, although not critical to the towns operation.

The town had completed a town master plan in 2003; however, no mention of the airport was included. Selectman Phinney assured the Division that the airport would be added as part of the next master plan update.

Twin Mountain Airport-Twin Mountain (Carroll), NH

Twin Mountain airport is a paved general aviation airport located in the town of Carroll, along Route 3, adjacent to tourist and lodging areas.

- Twin Mountain has a paved runway 2640 feet in length.
- The airport provides access to the White Mountain region and the Great North Woods. This area represents a small population base, spread over a large area.
- The airport's catchment area is the White Mountain Region, including parts of Grafton County and Coos County. The airport is located in close proximity White Mountain Regional Airport. Since White Mountain Regional Airport is current seeking to improve traffic counts, and provides more services than Twin Mountain, Twin Mountain's is not critical to the state.
- Twin Mountain airport has 3-based aircraft.
- The airport has limited land available for expansion of the runway system. Some land is still available and planned to be developed for installation of Hangar units.
- Twin Mountain has hangar storage services available.
- The airport is open year round although limited activity takes place in the winter months.
- The surrounding area has a strong tourist draw.
- These factors will place Twin Mountain Airfield in the third tier of airports.

According to the airport owner, there is pressure to develop this airport property for commercial, and or residential use. The owners have been approached from time to time with such requests. However because the owners live on the property, and their reason for purchasing the property was to enjoy the open space atmosphere, it is unlikely that they will support any such development. The owners believe that if gambling comes to the North Country, additional pressure will be placed on them to sell the property. The property's current

location along a commercial tourist area makes it very desirable for tourism related commercial development. The tax burden for the airport is also an issue albeit to a lesser extent.

The airport has no legally binding covenants that will prevent a new owner from discontinuing its use as an airport although it would be the owners desire to have his children maintain it as an airport.

Twin Mountain airport's potential for future development includes new hangars, runway surface reconditioning, and additional ramp areas.

In discussions with the town, it was felt that the airport added little value to the area and that Carroll would not be interested in either a purchase or an outright transfer of the property. Concern over conversion of the airport property from private to public property and the resulting adverse impact on the tax base were of greatest concern. The need to fund the day-to-day operation was a second issue.

Airport Priority

The importance of an airport to any transportation system is dependent on a myriad of factors. One person or entity versus another may view its individual place within a system of airports differently. The system of itself changes once any part is removed, added, or modified. Therefore, prioritizing a system of airports can be much like working a 1000 piece jigsaw puzzle. However, in order to meet the requirement of Chapter Law and aide the new streamlined process this report will provide a priority ranking of private airports should they become available for sale. The study separates the airports into three groups or "tiers", a **first tier** airport, essential to the airport system; **second tier**, providing valuable services to the system but not indispensable; or **third tier**, of limited value to the state system of airports. As already discussed here, and as documented in the New Hampshire Aviation Airport System Plan 2003, flexibility is needed by the Division of Aeronautics in determining the airport to acquire or abandon. Any loss of a particular airport, or addition of an airport to the system plan will require a re-evaluation of these priorities.

The following is a list of the private airports and in their respective “tiers” group:

First Tier Airports	Second Tier Airports	Third Tier Airports
Hampton Airfield, North Hampton; NH	Lakes-Region Airport; Wolfeboro, NH¹	Gifford Field; Colebrook, NH
Jaffrey-Airport Silver Ranch; Jaffrey, NH ²	Newfound Valley Airport; Bristol, NH	Errol Airport; Errol, NH
	Hawthorne-Feather Airport; Deering, NH	Twin Mountain Airport; Carroll, NH
	Moultonborough Airport; Moultonborough, NH	Franconia Airport; Franconia, NH

Note: Airports in Bold are airports that have expressed they may sell in the next two years

Findings

In conducting this report, the Division of Aeronautics and the Aviation Users Advisory Board (AUAB) have identified 6 key challenges to preservation of privately owned airports.

- Increases in property assessments are placing tax burdens on airport ownership that are overly burdensome.
- Maintenance and operational expenses are significantly exceeding revenues, delaying or sidelining necessary repairs and draining cash for capital improvements.
- Cost of insurance for open to the public airports has increased significantly, especially after Sept 11, 2001.

¹ Lake Region Airport has not registered in 2004, and may close in 2005, however it was included in this study because airports from time to time may fail to register for one year, and renew their registration in the following year.

² Jaffrey Airport – Silver Ranch has significant maintenance issues that must be addressed ASAP, or the state will no longer be able to support its status as an open to the public airport.

- Local governing boards often have a limited understanding of airport operations yet have the full force of the law to grant or deny airport development.
- Town governments are unaware of, or unsettled by, the prospect of airport ownership.
- Local zoning boards often fail to consider the effect that zoning regulations have on airports or the relationship between airports and adjacent development.

Burdensome Property Tax Increases

In preparation of this report on The Preservation of Private Airports, the unifying theme among private airport owners was the financial burden of increasing property tax bills on airport facilities. One airport owner estimates that his property taxes increased 300% since 2001. RSA 72:38 provides for a tax reimbursement to owners of private open to the public air navigation facilities [airports]. The tax reimbursement program refunds the airport owners for the public portions of the airport only. Also the program has a current funding cap of \$10,000. In the 2003 tax year, the total requests for reimbursements exceeded the cap limit; therefore each airport's reimbursement was reduced by a percentage amount. It is anticipated that this trend will continue, with larger percentage decreases required during subsequent years.

Maintenance and Operational Expenses

Airports are extremely maintenance intensive. Paved airports must deal with the expense of pavement maintenance, unpaved airports must keep the surface even and sod carefully prepared. Additional improvements such as lighting and fuel services provide operational benefits but come with additional maintenance burdens for the airport. These increasing expenses coupled with the aforementioned increasing tax burden have drained funds that could be used for capital improvements.

Cost of Insurance

Insurance costs are increasing for all aviation related businesses, especially after the terrorist events of September 11, 2001 and its catastrophic impact on the insurance industry. Coupled with this is the real, or imagined, concerns over the potential use of general aviation as a means to promote further terrorist activities.

Local Government Authority Over Airports

Towns and other municipalities have a fiduciary responsibility to their residents to monitor, direct, and approve or disapprove proposals for development within their political borders. This responsibility notwithstanding, the Division has had one private airport owner who believes delays in the approval process have been counterproductive to development of his airport. Town Boards are usually not familiar with the details of

airport development, and their most pressing concerns maybe motivated by external factors.

Town Ownership of Airports

For all of the aforementioned reasons, towns are generally extremely cautious about taking over existing private airports. In speaking to town leaders in preparation of this report only one town was state emphatically that they would take the airport if it was offered for sale, and continue using it for airport purposes. This was the town of Jaffrey in reference to Jaffrey Airport-Silver Ranch. However, the town did state that in order to do this they would need the leeway to develop additional parcels, or excess land as an industrial park to compliment the airport property.

Airport Zoning

Towns and other municipalities generally have no area that is zoned for airport purposes, in addition airport imaginary surfaces¹ are not being considered when master plans are prepared and code and zoning restrictions are being considered.

Often if towns have industrial zoned areas, airports are zoned as such. This issue gets back to the tax burden impact, because private airports, although providing some commercial services, are not in the business for substantial profit. Margins are relatively small, and small increases in expenditures can easily result in a net loss.

Imaginary surfaces provide guidance to towns on areas that should be protected for the purposes of airport operations; these surfaces are generally not overly burdensome. However, strict enforcement can result in some loss of air rights for properties especially those that are close or adjacent to the airport.

Recommendations for Preservation of Private Airports

Legal, Insurance Counsel:

Finding: Most airport owners have a limited understanding of legal mechanisms that can be used to insure that their airport remains an airport, if they opt to sell the airport to another party, or if their airport is distributed as part of their estate. These covenants can be more effective than any legislation on the part of a town or state. The state system of airports could benefit if owners that are interested are given better information on measures to activate effective real estate covenants.

Recommendation: The Division of Aeronautics should arrange a public forum to provide counseling to open to the public privately owned airports, town officers, and attorneys to

¹ Imaginary Surfaces are trapezoidal 3 dimensional segments of airspace surrounding airports, which protect flight activity from hazardous obstructions in the airspace.

discuss legal options that will protect long-term existence of airports. This forum could also discuss insurance issues so that airports are properly insured for disaster, liability, and other risk related issues.

Airport Leasing:

Finding: Although the owner may desire to keep the airport open, private airports are often threatened when owners decide to retire, are unable to continue operation of the facility, or pass away leaving it in an estate. At these times the owner may feel compelled to sell, or the heirs of the estate may often have no interest in continuing to operate the property. A means is needed to keep these facilities open, while providing a benefit to the owner, or his estate.

Recommendation: The State of New Hampshire should encourage certain airport owners to enter into operational agreements with professional airport management companies. This option would permit owners who wish to continue operation of the airport after they are no longer able to manage day-to-day operations themselves. At the same time, a source of revenue can be provided contractually for the owners or their heirs. This concept would provide a viable option for owners to keep their airports yet through professional expertise of a for-profit airport management firm, conduct day-to-day operations, capital improvements, and manage expenses and income. These lease agreements should be long term in nature, and should be determined based on the priority of the airport, and level of upkeep. Income will be used to offset expenses; net profit (if realized) will be distributed per contractual agreement between the management firm and the owner.

Implementation: The Division of Aeronautics should take the lead by investigating similar industry arrangements. The investigation would review industry standard contractual arrangements, standard rates and fees, capital improvements, owner involvement, long-term viability. This will serve as a first step in determining the feasibility of such operating arrangements and determine the best level of state involvement. Follow-up presentations could be made with affected airport managers. A presentation should be made to the Granite State Airport Managers Association detailing a proposed program for New Hampshire private airports. Specific to the details, benefits and shortcomings must be included. This review would provide an assessment of further step necessary to implement such a program.

Increase Grant Funding:

Finding: Two programs that the state sponsors to financially assist private airports, are the 50/50 grant program, and the Airport Tax Reimbursement Program. However, current funding levels have not kept pace with funding needs. In fact, the funding for the state grant to airport sponsors has decreased over the years from a peak of \$143,820 in 1988 to just over \$57,000 in 2003. The current 50/50 grant program has decreased from \$100,000 since its inception in 1986 to \$23,898 today. The current 50/50 grant program

provides 50% of project funding to the owner in exchange for a 10-year commitment to keep the airport open.

The 50/50 program suffers from four significant short comings:

- 1) State appropriated amounts are inadequate to provide the intended assistance to private owners. Current funding is \$23,898 per year; this amount must be distributed to support projects for all but the 11 federally funded airports. This dilution of the funding means that at best one or two necessary projects can be accommodated, additional projects must be delayed because the amount of available funding is unable to provide the required match. Owners must then decide whether to go it alone, or wait for funding to be available in the future years.
- 2) The Division of Aeronautics responds to requests by airports for 50/50 grants with very limited prior knowledge. The requests are unrelated to any long-term capital improvement plan. Nonetheless, the Division has endeavored to be responsive to such requests. A program that schedules and anticipates capital improvements utilizing 50/50 funding would be beneficial to the overall airport system, as it will permit a more orderly distribution of funds, and promote the overall airport system by introducing synergies to capital improvements that may not be possible under the current system. This request is consistent with the finding and recommendations of the New Hampshire Aviation Airport System Plan of 2003.
- 3) The 50% burden on the owners may simply be too great for larger projects like runway and ramp overlays or rehabilitation. Even with 50% funding, the financial obligation on the part of the owners may still be outside of the budgetary limitations.
- 4) The intent of the 50/50 program is that the owner agrees to keep the airport open for an additional 10 years in exchange for financial assistance to pay for capital improvements. If the owner decides to sell the property, the grant obligation must be paid off or guarantee the airport stays open for the remaining term on the grant. Recent increases in property values and the relatively small financial obligation of most 50/50 grants, makes it likely that a new owner will easily be able to repay the grant amounts.

Finally the airport tax reimbursement program budgets \$10,000 for reimbursement of taxes assessed on the public area of airports. In the last year the Division of Aeronautics has had to reduce the reimbursement to meet the \$10,000 budgetary cap.

Recommendation:

- 1) The 50-50 funding program should be refined and funding increased. The program should increase funding from 50% state-50% sponsor to at a minimum 80% state – 20% sponsor. The grant assurance period could be changed from 10 years to 20 years, and funding increased from \$23,898 back to \$100,000 an amount equivalent to the funding required to meet the current demand. The 50/50 (or 80/20 as it may be) program should be run by the Division of Aeronautics more like the Federal Airport Improvement Program, so that privately owned airports present a capital improvement program to the Division of Aeronautics, which spans 10 years and funds are planned and programmed for that period of time.
- 2) The tax re-imbursement program authorized by RSA 72:38 should be increased from \$10,000 to \$15,000 per annum to meet anticipated increase in property tax assessments.

Implementation:

- 1) Airport Tax Reimbursement: -A legislative action should approve an appropriations increase for the Airport Tax Reimbursement program authorized under 72:38 Revised Statutes Annotated from the current amount of \$10,000 to \$15,000 for the next biennium.
- 2) 50/50 Grant Program: A legislative action should approve changes to the next biennium budget increasing authorization of the 50/50 Grant program from \$23,898 to \$100,000. Budgetary Law changes must also be approved allowing the program to change to a more generous split such as an 80/20 program (i.e. 80% State share, 20% local share). The Division of Aeronautics should immediately begin to manage a 10-year capital improvement program for each of the non-federally funded airports programming projects for the logical development and growth of the non-federally funded airports utilizing these funds.

New State managed process for permitting of airport development:

Finding: Privately owned and operated airports act as an important element within the state's airport system. Their benefit and challenges reach well beyond the physical boundaries of their host town or municipalities. Yet, local zoning board and review committees, through their permitting process often significantly hinder or even prohibit changes to the airport layout, capital improvement, and additional facilities. Depending on the importance of a project to the state system of airports, a local governing entity could possess inordinate and unbalanced influence on the overall state system of airports.

Recommendation: Airport development should be removed from local permitting processes and put under the jurisdiction of a state office. This process could be controlled administratively through the Division of Aeronautics, and the Office of Energy and

Planning (OEP) which bodies are more familiar with the issues surrounding airports such as safety, emergency preparedness, etc. Inclusive to such approvals the OEP and the Division of Aeronautics, should encourage use of excess lands to provide needed industrial development, open space, or commercial property consistent with the needs of the host municipality.

Implementation: The Governor together with the New Hampshire General Court should enact legislation, similar to that found in 672:1 (III) and 674:32(a-c) for forestry and agricultural uses of land, respectively, on the behalf of airports that are privately operated and open to the public airports.

Current Use Provisions:

Findings: Many low operations unpaved airports actually provide an open space benefit to the community as described in RSA 79 A: 1 “*Declaration of Public Interest*”. In visual quality and practical use, they are no different from a farm, or horse pasture, yet they are not permitted to take advantage of current use statutes.

Recommendations: Unpaved airports should be allowed to take advantage of current use provisions on a case-by-case basis. Elements to be reviewed should include, annual number of flight operations, commercial activity conducted on the property (i.e. fuel sales, landing fees, etc.) and the overall size of property and provision of open space.

Implementation: The Governor together with the New Hampshire General Court should enact a revision to Chapter 79A of the Revised Statutes Annotated, to name private Open to the public airports as facilities eligible for current use benefits detailed in RSA 79-A: 1

Conclusions

The enactment of RSA 422:19, will do well to streamline the acquisition of private airports critical to the New Hampshire State Airport System. Meanwhile carefully vetting the need to acquire airports if they become available.

This study is intended to give clear, although general direction on the issues facing public use, privately owned airports, and determine the best manner in which the state can assist in the long-term preservation of these extremely efficient facilities. By working with municipalities and better understanding the challenges to communities when a local airport is placed up for sale. Barring renewed interest from the state, in the form of these or similar recommendations, private open to the public airports in New Hampshire will likely cease to exist. This absence will put a tremendous burden on the state to replace, or provide its citizens adequate access to the National Air Transportation System.